

MASSIVE 2024 DESIGNER FOURPLEX IN MID-CITY | OPPORTUNITY ZONE

1734 CARMONA AVE



OFFERING MEMORANDUM

Prepared by
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OFFERING SUMMARY

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The 2-4 Unit Specialists are pleased to present 1734 Carmona Ave, a massive, brand-new construction fourplex in prime Mid-City that is NON RENT-CONTROLLED! This highly elevated, luxury property is situated on a peaceful, tree-lined residential street, boasting the nicest curb appeal in Mid-City. With an unbeatable unit mix and designer finishes, we project an outstanding 5.42% cap rate.

In addition to the high return, it's important to note that the property falls within an opportunity zone—a major tax benefit to buyers (consult with your CPA). The property features separate meters for all utilities, minimal expenses, no rent control, and a 1-year builder's warranty.

1734 Carmona Ave consists of two large 5-bedroom tri-level townhome-style units, one 4-bedroom ADU, and one 6-bedroom single family residence that has potential to be split into two units! The excellent location, combined with the upscale modern units and luxury finishes, will make for quick, easy rentals. These premium townhomes feature unbeatable floorplans with large, tenant-friendly kitchens and living rooms. Noteworthy features include, but are not limited to: designer tiles, stainless steel kitchen appliances, numerous balconies, modern cabinets, high ceilings, huge closets, balconies off the living spaces and bedrooms, abundant windows allowing for maximum natural light, waterproof natural wood vinyl flooring, and more.

Buyers will also enjoy additional perks, including ample parking, tastefully designed drought-tolerant landscaping, a 1-year builder's warranty, brand-new everything, minimal maintenance, separate meters for gas, water, and electricity, and extreme desirability among renters for years to come. This one-of-a-kind opportunity won't last long!



PROPERTY OVERVIEW

THE PROPERTY: Address: 1734 Carmona Ave, Los Angeles, CA 90019
APN: 5064-009-010
Units: 4
Buildings: 2
Unit Mix: 1 x 6b/5b, 1 x 5b/5b, 1 x 5b/3b, 4b/3b
Year Built: 2024
Building Size (SF): 6,563
Lot Size (SF): 5,081
Zoning: LARD1.5

THE OFFERING: List Price: \$3,495,000
Cap Rate: 5.42% (Pro Forma)
GRM: 14.04 (Pro Forma)
Price Per Unit: \$873,750
Price Per SF: \$532.53

UTILITIES: Water: Separately Metered (Tenant Pays), 1 Master
Electric: Separately Metered (Tenant Pays), 1 Master
Gas: Separately Metered (Tenant Pays)

AMENITIES: Laundry: Private Washers/Dryers for Each Unit
Parking: 1 Garage Spot, 5 Exterior Spaces, 1 Bonus



INVESTMENT HIGHLIGHTS



- NO RENT CONTROL!
- Located 5 minutes from the ultra trendy and highly sought after Culver City Arts District- a major draw for A+ tenants!
- Opportunity zone- major tax benefits (consult with your CPA).
- Outstanding projected cap rate of 5.42%! Cash cow.
- MASSIVE units with premium floorplans.
- The best curb appeal you'll find on a new construction fourplex!
- Boasts high-end, modern finishes.
- Diverse unit mix of two 5 bedrooms, one 4 bedroom, and one 6 bedroom! High income producing property!
- Tons of balconies with awe-inspiring views of Los Angeles.
- All units separately metered for gas, electric AND water! Very low expenses!
- Dream 1031 exchange opportunity. Ready to close!
- With SB-8 in effect, less new constructions are being built, making properties like these an even more rare and hot commodity.
- Moments WALKING to countless exciting mixed-use developments such as Ivy Station (HBO headquarters), the Cumulus Development (Whole Foods), the Culver Steps (Amazon Studios), and Platform!

LOCATION HIGHLIGHTS

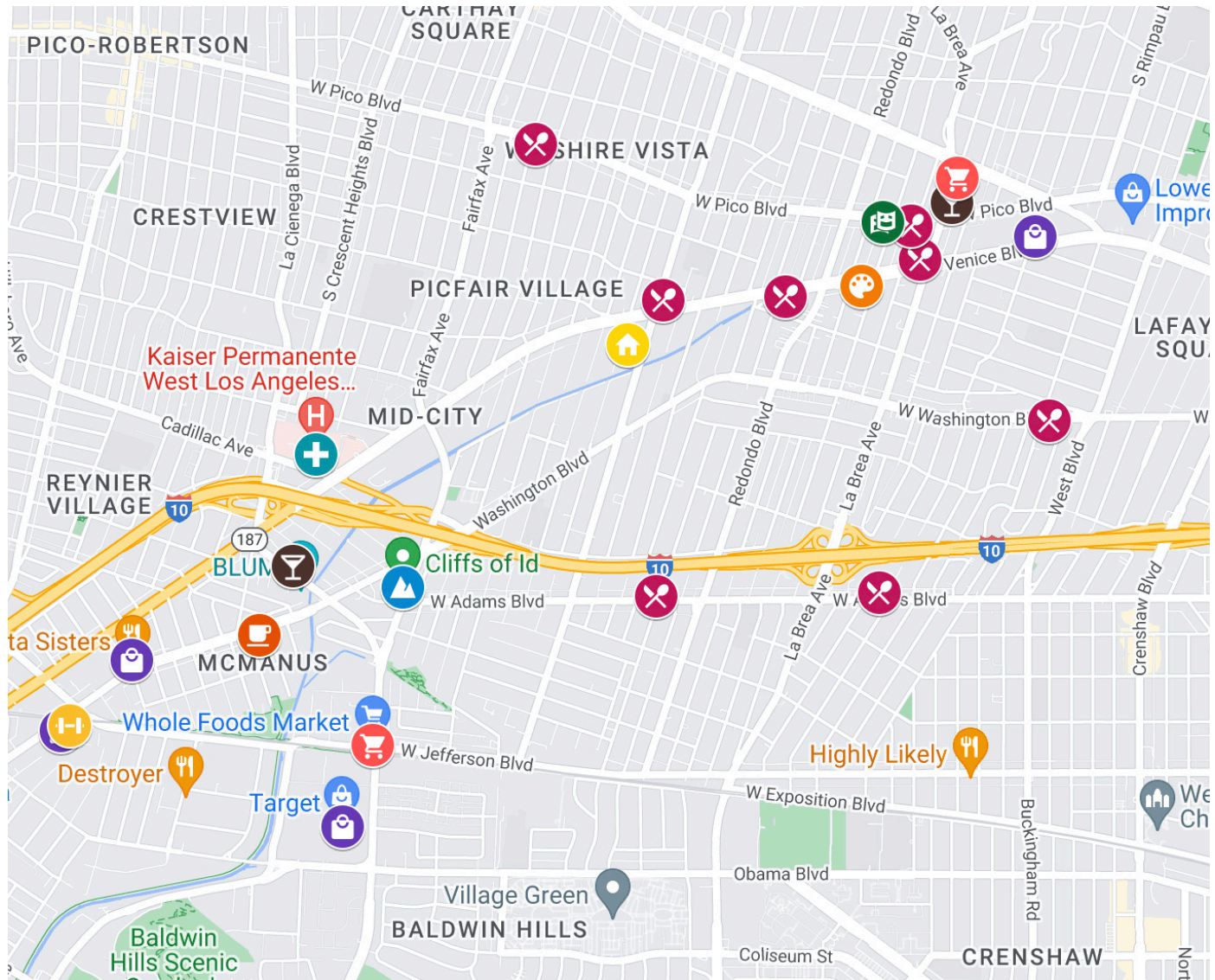


- Located in the rapidly developing Mid-City neighborhood 5 minutes from trendy Downtown Culver City and the Culver City Art District!
- Minutes from countless hip restaurants and bars, such as Father's Office, Pasta Sisters, Blue Bottle Coffee, Mandrake, Honey Kettle, CAVA, Bondi Harvest, The Culver Hotel and more!
- Multiple new innovative mixed-use developments nearby, including Platform (ultra-chic boutique shopping center), the Cumulus Development (home to a new Whole Foods), the Culver City Steps, Ivy Station, and more.
- A 3 minute drive to Target and the Midtown Shopping Center, a major convenience for tenants and owner-occupants.
- A few miles from Sony Pictures, Amazon Studios and other corporate offices such as Smashbox Studios, Pair of Thieves, WeWork, Dreamscape, and countless production, marketing, tech and creative agencies!
- Due to its close proximity to entertainment studios and high-paying creative & tech jobs, this locations draws premium rents and grade A tenants!



LOCATION HIGHLIGHTS MAP

- 1734 Carmona Ave
- 323 Hibachi Grill
- Leo's Tacos Truck
- Ondal 2
- Paper or Plastik Cafe
- Roscoe's Chicken & Waffles
- Darling Donuts & Ice Cream
- Tartine West Adams
- Cento
- Mandrake
- Pips On Labrea
- Cognoscenti Coffee
- Midtown Shopping Center
- Helms Bakery District
- PLATFORM
- Target
- Whole Foods Market
- Sprouts Farmers Market
- The Culver Hotel
- Amazon Studios
- Kaiser Permanente
- SoulCycle





PRICING & FINANCIALS

FINANCIAL SUMMARY & RENT ROLL

SUMMARIZED PRICING METRICS:

| | | |
|---------------------|-----|-------------|
| Price: | | \$3,495,000 |
| Down: | 40% | \$1,398,000 |
| Current GRM: | | 14.04 |
| Pro Forma GRM: | | 14.04 |
| Current Cap Rate: | | 5.42% |
| Pro Forma Cap Rate: | | 5.42% |
| \$/Unit: | | \$873,750 |
| \$/SF: | | \$532.53 |

BUILDING DESCRIPTION:

| | |
|-------------------|---------|
| No. of Units: | 4 |
| Yr. Built: | 2024 |
| Bldg SF: | 6,563 |
| Lot Size (SF): | 5,081 |
| Lot Size (acres): | 0.12 |
| Zoning: | LARD1.5 |
| Opportunity Zone: | Yes |
| Rent Control: | No |

FINANCING:

| | |
|-----------------------|---------------|
| Loan Amount: | \$2,097,000 |
| Interest Rate: | 6.75% |
| Monthly Payment: | (\$13,601.10) |
| LTV: | 60% |
| Amortization (Years): | 30 |
| Proposed/Assumption: | Proposed |
| Minimum DSCR: | 1.25 |

RENT ROLL:

| UNIT # | STATUS | UNIT TYPE | UNIT SIZE | CURRENT RENT | SCHEDULED GROSS INCOME | CURRENT RENT PER SF | PRO FORMA RENT | PRO FORMA RENT PER SF | LOSS-TO-LEASE |
|--------|------------------|-----------|-----------|--------------|------------------------|---------------------|----------------|-----------------------|---------------|
| 1 | Vacant | 6b/5b SFR | 2,070 | \$0 | \$5,750 | \$2.78 | \$5,750 | \$2.78 | \$0 |
| 2 | Vacant | 5b/5b | 1,789 | \$0 | \$5,500 | \$3.07 | \$5,500 | \$3.07 | \$0 |
| 3 | Vacant | 5b/3b | 1,497 | \$0 | \$5,250 | \$3.51 | \$5,250 | \$3.51 | \$0 |
| 4 | Vacant | 4b/3b | 1,207 | \$0 | \$4,250 | \$3.52 | \$4,250 | \$3.52 | \$0 |
| 4 | Totals/Averages: | | 6,563 | \$0 | \$20,750 | \$3.16 | \$20,750 | \$3.16 | \$0 |

FINANCIAL ANALYSIS

| # UNITS | UNIT MIX | % OF TOTAL | SIZE | AVG RENT | AVERAGE RENT/SF | MONTHLY INCOME | AVG PRO FORMA RENT | AVERAGE PRO FORMA RENT/SF | PRO FORMA MONTHLY INCOME |
|-------------------------|-----------|------------|-------|----------|-----------------|----------------|--------------------|---------------------------|--------------------------|
| 1 | 6b/5b SFR | 25% | 2,070 | \$5,750 | \$2.78 | \$5,750 | \$5,750 | \$2.78 | \$5,750 |
| 1 | 5b/5b | 25% | 1,789 | \$5,500 | \$3.07 | \$5,500 | \$5,500 | \$3.07 | \$5,500 |
| 1 | 5b/3b | 25% | 1,497 | \$5,250 | \$3.51 | \$5,250 | \$5,250 | \$3.51 | \$5,250 |
| 1 | 4b/3b | 25% | 1,207 | \$4,250 | \$3.52 | \$4,250 | \$4,250 | \$3.52 | \$4,250 |
| Totals/Averages: | | | 1,641 | \$5,188 | \$3.16 | \$20,750 | \$5,188 | \$3.16 | \$20,750 |
| Gross Potential Income: | | | | | | \$249,000 | | | \$249,000 |

ANNUALIZED OPERATING DATA:

| | | CURRENT | | PRO FORMA |
|-------------------------------|-------|-------------|-------|-------------|
| Gross Potential Rental Income | | \$249,000 | | \$249,000 |
| Gain (Loss)-to-Lease | | \$0 | | \$0 |
| Gross Scheduled Rental Income | | \$249,000 | | \$249,000 |
| Less: Vacancy | 4.0% | (\$9,960) | 4.0% | (\$9,960) |
| Effective Gross Income | | \$239,040 | | \$239,040 |
| Less: Expenses | | (\$49,667) | | (\$49,667) |
| Miscellaneous Other Income | | \$0 | | \$0 |
| Net Operating Income | | \$189,373 | | \$189,373 |
| Debt Service | | (\$163,213) | | (\$163,213) |
| Pre-Tax Cash Flow | 1.87% | \$26,160 | 1.87% | \$26,160 |
| Principal Reduction | | \$22,349 | | \$22,349 |
| Total Return | 3.47% | \$48,509 | 3.47% | \$48,509 |

ANNUALIZED EXPENSES:

| | | CURRENT | PRO FORMA |
|------------------------------|------------|-----------------|-----------------|
| Fixed Expenses | | | |
| Real Estate Taxes | 1.1997% | \$41,929 | \$41,929 |
| Insurance | .60/s.f. | \$3,938 | \$3,938 |
| Utilities | \$250/unit | \$1,000 | \$1,000 |
| Controllable Expenses | | | |
| Contract Services | \$300/unit | \$1,200 | \$1,200 |
| Repairs & Maintenance | \$400/unit | \$1,600 | \$1,600 |
| TOTAL EXPENSES | | \$49,667 | \$49,667 |
| EXPENSES/UNIT | | \$12,417 | \$12,417 |
| EXPENSES/SF | | \$7.57 | \$7.57 |
| % of EGI | | 20.8% | 20.8% |



SALES COMPS

SALES COMPARABLES CHART | NEW CONSTRUCTION COMPS

| # | ADDRESS | UNITS | SALES PRICE | \$/SF | \$/UNIT | CAP RATE | GRM | BLDG SF | LOT SQFT | CLOSE DATE | YEAR BUILT |
|----|--------------------------|----------|--------------------|-----------------|------------------|--------------|--------------|--------------|--------------|------------|-------------|
| 1 | 1842 S Sycamore Ave | 4 | \$3,600,000 | \$543.56 | \$900,000 | 5.55% | 13.94 | 6,623 | 6,253 | 5/23/23 | 2023 |
| 2 | 2155 S West View St | 3 | \$3,590,000 | \$599.83 | \$1,196,667 | 5.01% | 15.19 | 5,985 | 6,000 | 5/11/22 | 2022 |
| 3 | 2131 S Rimpau Blvd | 3 | \$3,565,000 | \$550.83 | \$1,188,333 | 5.06% | 15.08 | 6,472 | 5,525 | 6/10/22 | 2022 |
| 4 | 2522 S Cloverdale Ave | 4 | \$3,300,000 | \$528.68 | \$825,000 | 5.10% | 14.95 | 6,242 | 5,042 | 5/6/24 | 2024 |
| 5 | 2851 S Victoria Ave | 4 | \$3,300,000 | \$534.24 | \$825,000 | 5.07% | 14.95 | 6,177 | 5,032 | 5/6/24 | 2024 |
| 6 | 2821 Virginia Rd | 3 | \$2,650,000 | \$499.62 | \$883,333 | 5.35% | 14.34 | 5,304 | 5,232 | 9/26/22 | 2022 |
| 7 | 2332 S Carmona Ave | 5 | \$4,200,000 | \$508.91 | \$840,000 | 5.32% | 14.46 | 8,253 | 6,077 | 1/6/23 | 2022 |
| 8 | 4647 Pickford St | 4 | \$3,350,000 | \$478.09 | \$837,500 | 5.68% | 13.68 | 7,007 | 7,000 | 2/16/23 | 2023 |
| 9 | 6006 Comey St | 5 | \$4,300,000 | \$506.60 | \$1,075,000 | 5.51% | 13.95 | 8,488 | 8,409 | 8/21/24 | 2024 |
| 10 | 3811 Exposition Blvd | 4 | \$3,225,000 | \$574.87 | \$806,250 | 5.05% | 15.06 | 5,610 | 5,371 | 3/14/23 | 2023 |
| | AVERAGE: | 4 | \$3,508,000 | \$532.52 | \$937,708.30 | 5.27% | 14.56 | 6616.10 | 5,994 | N/A | N/A |
| | 1734 Carmona Ave: | 4 | \$3,495,000 | \$532.53 | \$873,750 | 5.42% | 14.04 | 6,563 | 5,081 | N/A | 2024 |



PROPERTY PHOTOS

PHOTOS



PHOTOS



PHOTOS



PHOTOS



PHOTOS





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